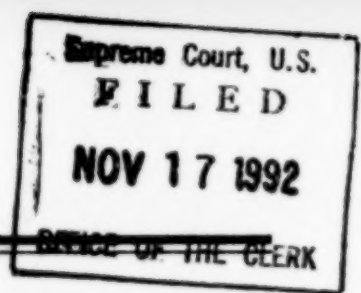


(10)
No. 92-114



IN THE
Supreme Court of the United States
OCTOBER TERM, 1992

CARDINAL CHEMICAL COMPANY, a partnership,
W.M. QUATTLEBAUM, JR., DOROTHY QUATTLEBAUM,
and W.M. QUATTLEBAUM, III, individuals,
CARDINAL MANUFACTURING Co., and
CARDINAL STABILIZERS, INC.,
Petitioners,

v.

MORTON INTERNATIONAL, INC.,
Respondent.

**On Writ Of Certiorari To The United States
Court Of Appeals For The Federal Circuit**

JOINT APPENDIX

CHARLES F. SCHILL¹
LARRY L. SHATZER, II
ADDUCI, MASTRIANI,
MEEKS & SCHILL
1140 Connecticut Ave., N.W.
Suite 250
Washington, D.C. 20036
(202) 467-6300
Counsel for Petitioners

GORDON R. COONS*
JOHN E. ROSENQUIST
JEFFREY S. WARD
LEYDIG, VOIT & MAYER
Two Prudential Plaza
Suite 4900
Chicago, Illinois 60601
(312) 616-5600
Counsel for Respondent

*Counsel of Record

PETITION FOR CERTIORARI FILED JULY 16, 1992
CERTIORARI GRANTED OCTOBER 5, 1992

6074

TABLE OF CONTENTS

	Page
Relevant Docket Entries	JA-1
Notice of Location of Lower Court Opinions and Orders Not Reprinted in the Joint Appendix	JA-2
Defendants' Answer and Counterclaims	JA-3
Judgment and Order (<i>Morton Thiokol, Inc. v. Witco Chemical Corp. and Argus Chemical Corp.</i>) ...	JA-9
Corrected Judgment (<i>Morton Thiokol, Inc. v. Witco Chemical Corp. and Argus Chemical Corp.</i>) ...	JA-36
Decision from the Court of Appeals, Federal Circuit (<i>Morton Thiokol, Inc. v. Argus Chemical Corp.</i>)	JA-38
Answer and Counterclaims of Dorothy Quattle- baum, W.M. Quattlebaum, III, Cardinal Man- ufacturing and Cardinal Stabilizers to Plaintiff's Amended Complaint	JA-44
Portion of the June 20, 1990 Hearing Transcript .	JA-55

RELEVANT DOCKET ENTRIES FOR CARDINAL
CHEMICAL COMPANY ET AL. v. MORTON
INTERNATIONAL, INC.
SUPREME COURT DOCKET NO. 92-114

(DOCKET ENTRIES IN THE UNITED STATES DISTRICT
COURT FOR THE DISTRICT OF SOUTH CAROLINA,
GREENVILLE DIVISION)

<u>Date</u>	<u>No.</u>	<u>Proceeding</u>
5/23/83	11	DEFENDANTS' ANSWER AND COUNTERCLAIMS
6/22/88	163	JUDGMENT AND ORDER (MORTON THIOKOL, INC. v. WITCO CHEMICAL CORP. AND ARGUS CHEMICAL CORP.)
7/28/88	163	CORRECTED JUDGMENT (MORTON THIOKOL, INC. v. WITCO CHEMICAL CORP. AND ARGUS CHEMICAL CORP.)
4/03/89	163	DECISION FROM THE COURT OF APPEALS, FEDERAL CIRCUIT (MORTON THIOKOL, INC. v. ARGUS CHEMICAL CORP.)
4/16/90	159	ANSWER AND COUNTERCLAIMS OF DOROTHY QUATTLEBAUM, W.M. QUATTLEBAUM, III, CARDINAL MANUFACTURING AND CARDINAL STABILIZERS TO PLAINTIFF'S AMENDED COMPLAINT
6/20/90	NOT GIVEN	PORTION OF THE JUNE 20, 1990 HEARING TRANSCRIPT

**NOTICE OF LOCATION OF LOWER COURT OPINIONS
AND ORDERS NOT REPRINTED IN THE JOINT
APPENDIX**

The following opinions and orders have been omitted in the printing of this joint appendix because they are found on the following pages in the appendix to the printed Petition for Certiorari:

Opinion of the Court of Appeals for the Federal Circuit (March 20, 1992) (959 F.2d 948)	1a
Opinion of Chief Judge Nies Dissenting From the Orders Declining Suggestions For Rehearing in Banc (June 24, 1992) (967 F.2d 1571)	16a
Public Opinion and Order of The District Court (January 10, 1991)	32a
Order Denying Appellant's Petition for Rehearing (April 17, 1992)	71a
Order Denying Cross-Appellant's Petition for Rehearing (April 17, 1992)	72a
Order Denying Appellant's Suggestion for Rehearing in Banc (May 7, 1992)	73a
Order Denying Cross-Appellant's Suggestion for Rehearing in Banc (May 7, 1992)	74a

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF SOUTH CAROLINA
COLUMBIA DIVISION**

Civil Action No. 83-889-0

(Perry, J.)

CARSTAB CORPORATION,

Plaintiff

v.

CARDINAL CHEMICAL COMPANY,
a Partnership, and
W.M. QUATTLEBAUM, JR., an Individual,
Defendants.

DEFENDANTS' ANSWER AND COUNTERCLAIMS

Defendants answer plaintiff's Complaint as follows:

1. Answering Paragraph 1 of the Complaint, defendants admit that plaintiff has a place of business at West Street, Reading, Ohio 45215; and is without information sufficient to form a belief as to the truth of the remaining allegations therein and therefore denies the same and leave plaintiff to its proofs.

2. Defendants admit the allegations contained in Paragraph 2 of the Complaint.

3. Defendants admit the allegations contained in Paragraph 3 of the Complaint.

4. Defendants admit the allegations contained in Paragraph 4 of the Complaint.

5. Defendants admit that United States Letters Patent No. 4,062,881 is entitled "Sulfide Containing Tin Stabilizers", that it issued December 13, 1977 showing Thomas

G. Kugle as the inventor and that the patent shows the assignee to be Cincinnati Milacron Chemicals, Inc. Defendants are without information sufficient to form a belief as to the truth of the remaining allegations set forth in Paragraph 5 of the Complaint and therefore deny the same and leave plaintiff to its proofs.

6. Defendants admit that United States Letters Patent No. 4,120,845 is entitled "Sulfide Containing Tin Stabilizers", that it issued October 17, 1978 showing Thomas G. Kugle as the inventor and that the patent shows the assignee to be Cincinnati Milacron Chemicals, Inc. Defendants are without information sufficient to form a belief as to the truth of the remaining allegations set forth in Paragraph 6 of the Complaint and therefore deny the same and leave plaintiff to its proofs.

7. Defendants deny the allegations contained in Paragraph 7 of the Complaint.

8. Defendants deny the allegations contained in Paragraph 8 of the Complaint.

9. Defendants deny the allegations contained in Paragraph 9 of the Complaint.

10. Defendants deny the allegations contained in Paragraph 10 of the Complaint.

11. Defendants admit they became aware of United States Letters Patent Nos. 4,062,881 and 4,120,845 when so informed of them by the assignee of such patents but deny the remaining allegations contained in Paragraph 11 of the Complaint.

12. Defendants deny the allegations contained in Paragraph 12 of the Complaint.

AS FURTHER, SEPARATE AND AFFIRMATIVE DEFENSES TO THE COMPLAINT, DEFENDANTS ALLEGE:

13. Plaintiff's patents in suit fail to comply with the provisions of 35 USC §101 in that they do not define any

new and useful process, machine, manufacture or composition of matter, or any new and useful improvement thereof.

14. The patent in suit is invalid in that it fails to comply with 35 U.S.C. Section 102, since:

(A) The alleged invention was known and used by others in this country, and described in printed publications in this or foreign countries before the alleged invention by the applicants for the patent in suit.

(B) The alleged invention was described in printed publications in this or a foreign country and was in public use or on sale in this country more than one year prior to the date of the application for patent in suit.

(C) The alleged invention was described in patents granted on patent applications filed by others in the United States before the alleged invention thereof by the applicants for the patent in suit.

(D) The applicants for the patent in suit did not invent the subject matter claimed in the patent in suit.

(E) Before the alleged invention of the subject matter claimed in the patent in suit by the applicants for such patent, the alleged invention was made by others who had not abandoned, suppressed or concealed it.

15. The patents in suit are invalid under 35 USC §103 since, to the extent that the subject matter defined in the claims of the patents in suit may be held to be not identically disclosed or described as set forth in the prior art, any differences between said subject matter and the prior art are such that the subject matter would have been obvious at the time the alleged invention was made to those having ordinary skill in the art to which the subject matter of the patents pertain.

16. The patents in suit are invalid because of failure to disclose and claim the alleged invention in the manner required by 35 USC §112.

17. Plaintiff is barred from the relief requested in its Complaint by reason of laches and estoppel for having unreasonably and inexcusably delayed in filing this law suit following the time plaintiff learned of defendants' allegedly infringing activities, resulting in material prejudice to defendants.

COUNTERCLAIMS

18. In its Complaint, plaintiff, Carstab Corporation, alleges that it is a corporation organized and existing under the laws of the State of Delaware having its principal place of business at West Street, Reading, Ohio 45215.

19. Defendant, W.M. QUATTLEBAUM, JR., resides within this district at 5727 Lake Shore Drive, Columbia, South Carolina 29206, and is the managing partner of the defendant, CARDINAL CHEMICAL COMPANY.

20. Defendant, CARDINAL CHEMICAL COMPANY, is a partnership existing and operating under the laws of the State of South Carolina and has a regular and established place of business in this district at 2010 S. Beltline Boulevard, Columbia, South Carolina 29201. In addition to the defendant, W.M. QUATTLEBAUM, JR., the partners in Defendant, CARDINAL CHEMICAL COMPANY, are, DOROTHY C. QUATTLEBAUM, W.M. QUATTLEBAUM III, ROSEMARY Q. SANFORD and DOROTHY E. PIRON.

21. Jurisdiction of this counterclaim arises under the Federal Declaratory Judgment Act, 28 USC §2201 and §2202 and under the patent laws of the United States, 35 USC §101, §102, §103 and §112 and 28 USC §1338.

22. This counterclaim arises from an actual and justiciable controversy between plaintiff and defendants as to alleged infringement of the claims of United States Letters Patent Nos. 4,062,881 and 4,120,845 which plaintiff claims it owns. Specifically, plaintiff has charged defendants with infringement of these patents.

23. Defendants assert that plaintiff's United States Letters Patent Nos. 4,062,881 and 4,120,845 are not infringed by defendants and that no act of defendants is in any way a violation of said patents.

24. Defendants assert that plaintiff's United States Letters Patent Nos. 4,062,881 and 4,120,845 are invalid for the reasons more fully set forth in Paragraphs 13, 14, 15 and 16 of the affirmative defenses set forth hereinabove, which paragraphs are hereby incorporated by reference with the same force and effect as if the allegations thereof had been set forth in full herein.

PRAYER

WHEREFORE, Defendants' pray the entry of a judgment providing:

1. That United States Letters Patent Nos. 4,062,881 and 4,120,845 are not infringed and have not been infringed by any acts committed by defendants.
2. That United States Letters Patent Nos. 4,062,881 and 4,120,845 are invalid.
3. For a judgment of costs, disbursements and reasonable attorneys' fees incurred by defendants herein.
4. For such other and further relief as may be just and proper.

/s/ Rhett P. Dove, III
 Rhett P. Dove, III
 Nelson, Mullins, Grier &
 Scarborough
 3d Floor, Keenan Building
 1310 Lady Street
 P.O. Box 11070
 Columbia, SC 29211

Of Counsel:

Robert H. Berdo, David S. Abrams,
 Alfred N. Goodman
 Roylance, Abrams, Berdo & Farley
 1225 Connecticut Avenue, N.W.
 Washington, D.C. 20036
 (202) 659-9076

Dated: May 23, 1983

[Certificate of Service Omitted In Printing]

**UNITED STATES DISTRICT COURT
 EASTERN DISTRICT OF LOUISIANA**

**CIVIL ACTION
 NO. 84-5685
 SECTION "D" (5)**

MORTON THIOKOL, INC.

VERSUS

WITCO CHEMICAL CORPORATION, ET AL

**DATE OF ENTRY
 JUN 22 1988**

JUDGMENT

For reasons set forth in the court's Order dated June 22, 1988;

JUDGMENT IS HEREBY RENDERED in favor of the Defendant, Argus Chemical Corporation, and against the Plaintiff, Morton Thiokol, Inc., dismissing Plaintiff's claim for patent infringement with prejudice and at its costs.

JUDGMENT IS FURTHER RENDERED in favor of Argus Chemical Corporation as Counter-Claimant and against Morton Thiokol, Inc. as Counter-Defendant declaring the patents described in United States Letters Patent No. 4,062,881 and No. 4,120,845 invalid, void and unenforceable.

New Orleans, Louisiana, this 22nd day of June, 1988.

/s/ A. J. McNamara
 UNITED STATES DISTRICT JUDGE

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF LOUISIANA

CIVIL ACTION
NO. 84-5685
SECTION "D" (5)

MORTON THIOKOL, INC.
VERSUS
WITCO-CHEMICAL CORPORATION, ET AL

DATE OF ENTRY
JUN 22 1988

ORDER

Morton Thiokol, Inc., Plaintiff herein, brings this action for infringement of United States Letters Patent No. 4,062,881 (Kugele '881 patent) and 4,120,845 (Kugele '845 patent). Because the Carstab Products Group of Morton Thiokol, Inc., which evolved from the Carlisle Chemical Company and Cincinnati Milacron Chemicals, Inc., develops, manufactures and sells heat stabilizers which are claimed to be protected by the patents at issue herein, Plaintiff will hereafter be referred to as "Carstab." Carstab contends that these patents are valid, enforceable and have been infringed by Defendant, Argus Chemical Corporation ("Argus"). Argus defends denying infringement and further asserts that the patents in question are invalid, void and unenforceable and by counterclaim seeks a declaratory judgment so holding. Finally, Argus urges the Complaint should be dismissed by the Doctrine of Laches

arguing that Plaintiff's delay in bringing this litigation was both unreasonable and inexcusable. After considering the testimony of the witnesses, the documentary evidence and the applicable law and for reasons set forth below, the court finds the evidence is clear and convincing that the patents in question are invalid and further that Plaintiff has failed to prove by a preponderance of the evidence any infringement by the Defendant.

To the extent any Findings of Fact are deemed to be Conclusions of Law, they should be so considered and to the extent any Conclusions of Law are deemed to be Findings of Fact, they too should be so considered.

I. BACKGROUND

Polyvinyl Chloride (PVC), a polymer used in the manufacture of various products, requires the use of an additive to protect the PVC from decomposition. These additives are known as heat stabilizers. These heat stabilizers also prevent other degradation such as discoloration and loss of strength. Organotin compounds are one type of heat stabilizer for PVC. The development of these organotin stabilizers began in the early 1950's when it was discovered that the introduction of organotin mercaptide stabilizer products, wherein tin was bonded directly to a sulfur atom, resulted in a stabilizer with superior performance in certain applications over stabilizers then existing. This discovery resulted in a flurry of work aimed toward incorporating derivatives of available mercaptan starting materials to tin. Organotin stabilizers containing mercaptoethanol carboxylic acid esters were particularly effective but had a strong unpleasant odor. Because most PVC processing at that time utilized single screw extruders which required stabilizers to comprise as much as two percent of the extruded material, the extremely undesirable odor caused by using organotin stabilizers containing mercaptoethanol derivatives was particularly undesirable from a processing viewpoint. Accordingly, in the early 1960's the

stabilizer industry was looking for other types of organotin stabilizers. Organotin stabilizers including thioglycolic acid derivatives instead of mercaptoethanol derivatives were developed which were effective and did not have the foul odor to the extent of the stabilizers utilizing mercaptoethanol derivatives. Additionally, work was progressing to develop organotin stabilizers containing inorganic sulfur substituents. Later work involved blends using different organotin stabilizers as admixtures. All of this development activity was to a large extent prompted by the undesirable odor with the organotin stabilizers containing mercaptoethanol derivatives, the relatively high (up to two percent) percentage of stabilizer required with single screw extruders and the lack of availability of mercaptoethanol as a starting material in adequate commercial quantities. In the late 1960's and early 1970's the technology in the plastic manufacturing industry advanced and single screw extruders were displaced by multi-screw extruders which resulted in effective organotin stabilizers with a substantially reduced amount of stabilizer. Additionally, ventilation systems were improved and mercaptoethanol was then available in commercial quantities. These developments caused the emphasis on the development of organotin stabilizers to again shift to those utilizing mercaptoethanol derivatives.

II. SCOPE OF THE KUGELE PATENTS

Only claims 1 and 4 of the Kugele '881 patent are in issue in this litigation.

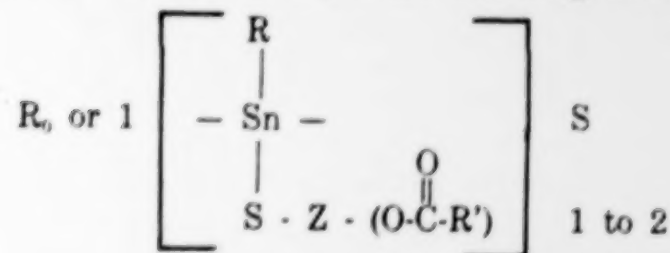
- A. The Kugele '881 patent is directed to *compounds* which are represented as being useful as stabilizers for polyvinyl chloride and other halogen containing polymers.
- B. The '881 patent is directed to organotin compounds which are defined in claim 1 thereof as follows:
 1. A monorganotin or diorganotin mercaptoalkyl ester of a carboxylic acid or mercapto hydroxy-

alkyl ester of a carboxylic acid mono or polysulfide useful as a stabilizer for improving the resistance to deterioration of vinyl chloride polymers when heated at 350 F, containing at least one tin atom having one to two hydrocarbyl groups having from 1 to 20 carbon atoms and selected from the group consisting of alkyl, aryl, cycloalkyl, aralkyl and alkenyl and linked to the tin through carbon, at least one mercaptoalkyl ester of a carboxylic acid group linked to tin through the sulfur of the mercaptoalkyl group and at least one mono or polysulfide sulfur group bonded exclusively to tin, the organotin compound having an amount of tin within the range from 10 to 42% by weight and an amount of sulfur within the range from 8 to 42% by weight.

- C. Thus in substance, claim 1 of the '881 patent is directed to a *compound*, useful as a PVC stabilizer, having three types of chemical groups linked to a common tin atom; the chemical groups are specifically denoted to be:
 - (a) One or two hydrocarbyl groups (i.e. methyl or butyl);
 - (b) At least one mercaptoalkyl ester of a carboxylic acid (an ester of a mercaptoalcohol—a reverse ester);
 - (c) At least one mono- or poly-sulfide sulfur bonded exclusively to tin;
 said *compound* having an amount of tin ranging from 10 to 42% by weight and an amount of sulfur ranging from 8 to 42% by weight.
- D. The Kugele '845 patent is directed to *compositions containing the compound* of the '881 patent and, only claims 1 and 11 of that patent are in issue in this litigation.
- E. Neither the Kugele '881 or '845 patent is limited to the use of these stabilizer *compounds* in any particular

type of polyvinyl chloride resin. For example, the Kugele '881 and '845 patents each specify that these Kugele compounds can be used in PVC formulations which include a plasticizer in conventional amounts ranging from 10 to 150 parts plasticizer per 100 parts of PVC polymer. As such, the Kugele specifically contemplate their use in non-rigid or flexible PVC formulations such as, for example, shower curtains which would have approximately 50 parts of plasticizer per 100 parts of PVC resin and fish lures which would typically contain approximately 150 parts of plasticizer per 100 parts of PVC resin.

- F. There is nothing in either of the Kugele '881 or the Kugele '845 patents that indicates that the postulated compounds covered by the asserted claims thereof are intended for use in rigid PVC applications only.
- G. The Kugele patents specifically indicate that the compounds thereof can have the following formula:



III. FINDINGS OF FACT

A. The Kugele '881 And '845 Patents Are Invalid Under 35 U.S.C. § 112

1. There is no evidence that the '881 patent teaches one how to make the compounds claimed in the '881 patent.

B. The '881 and '845 Patent Specifications Do Not Teach One Skilled In The Art How To Make And Use The Compounds Claimed Therein Without Undue Experimentation

2. The specifications of the '881 and '845 patent are virtually identical.

3. All of the examples of the '881 and '845 patents are written as working examples; that is written to represent work that has actually been performed in the manner specifically stated within each example.

4. In actuality none of the examples as written and represented in the specification of the '881 and '845 patent were ever performed.

5. In spite of the availability of analytical tests, Dr. Kugele "didn't see the need to do much of anything" to confirm that the product he was getting comprised the compounds claimed in the '881 patent.

6. Carstab has, apparently, never looked at a single one of its own examples to investigate what the products of such examples are.

7. The '881 patent alleges to teach the formation of postulated compounds as claimed in that patent but even with the aid of sophisticated analytical instrumentation and the use of model systems directed to attempt to provide the compounds claimed in the '881 patent, there is no evidence that such a compound exists.

8. Argus has prepared many of the examples of the '881 patent and investigated what the products of those examples really are.

9. Examples 20, 31, 32 and 34 are representative of examples of the '881 patent alleging to make pure Kugele compounds yet in actuality they yield something quite different.

10. The examples of the '881 patent, alleged to teach preparation of a product containing only the compounds claimed in the '881 patent, when analyzed are found to yield complex mixtures containing known organotin heat stabilizers.

11. Since the products of the examples of the '881 patent as well as the accused commercial stabilizer products

contain a mixture of known organotin stabilizer components and since no one has ever made, isolated or identified a compound as claimed in the '881 patent there is no evidence that such compounds have any stabilizing action.

12. Carstab, after the issuance of the '881 patent attempted to devise and carry out various syntheses not disclosed in the '881 patent aimed at producing pure compounds as claimed in the '881 patent. Such syntheses included attempts to make compounds as claimed in the '881 patent with a great deal of steric hinderance as well as attempts to make such compounds at low temperatures. All attempts were unsuccessful.

13. Carstab's organotin expert, Prof. Seyferth indicated that in order to make one of the claimed compounds stable you would have to build in special steric or electronic factors.

14. According to Prof. Seyferth the only hope for isolating the Kugele compound is to build in very specific structural or electronic factors which no one has done.

15. Neither Prof. Seyferth nor anyone under his direction has done any experimentation whatsoever with regard to the present litigation.

16. Nor has Carstab's other organotin expert Prof. Zuckermann ever done or been asked to do any work with respect to the analysis of Argus' accused organotin stabilizers.

17. On the other hand, Argus' organotin expert, Prof. Holmes, was asked to, and did, do experiments directed to attempts to make compounds claimed in the '881 patent. All such attempts were also unsuccessful.

C. The Structural Language In The Claims Of The '881 Is Too Vague To Satisfy The Definiteness Requirement of § 112

18. The term "connectivity" as applied to a compound means how the atoms of a compound are arranged with relation to one another, i.e. how the atoms are connected by chemical bonds.

19. Each of the claims of the '881 and '845 patents define compounds containing a specific connectivity which, in pertinent part, consists of a partial molecular connectivity of tin-sulfur-tin reverse ester mercaptide (i.e. Sn-S-Sn-reverse ester mercaptide).

20. None of the claims of the '881 patent contain any process information nor do the claims of the '845 patent contain any process information directed to obtaining the claimed connectivity.

21. Even today, let alone in 1974 when the application which matured into the '881 patent was filed, wet chemical analyses commonly employed by those skilled in the art such as analyses directed to determining percent tin, percent total sulfur, equivalent sulfide, percent mono alkyltin, percent stabilizer, etc., are not capable of identifying the tin-sulfur-tin mercaptide partial connectivity at issue compared to a mixture of alkyltin sulfides without any mercaptide attached to the tin and, accordingly, cannot enable one skilled in the art to determine if the claimed connectivity is present.

22. Similarly instrumental analyses available in 1974 as well as today such as infrared spectroscopy and Carbon and Proton nuclear magnetic resonance spectroscopy *cannot* enable one skilled in the art to distinguish between a product containing tin-sulfur-tin mercaptide partial connectivities and a mixture of alkyltin sulfides and alkyl tin mercaptides.

23. Liquid chromatography techniques available at the time of the filing the application which matured into the '881 patent would not have enabled one skilled in the art to identify the claimed connectivity, but if such techniques had been applied at such time to samples believed by Carstab to contain the compounds claimed in the '881 patent one skilled in art would have observed that the sample contained a mixture of alkyltin mercaptides and alkyl tin sulfides.

24. Nuclear magnetic resonance instruments capable of recording Tin-119 nuclear magnetic resonance spectra were available in 1974 when the patent was applied for.

25. If samples of products believed by Carstab to contain compounds claimed in the '881 patent such as products of the examples of the '881 patent had been analyzed by the available Tin-119 NMR spectroscopy in 1974 it would have been determined that such samples yield complex mixtures and not the compounds postulated in the '881 patent.

26. Even today, after exhaustive investigations with state of the art analytical instruments, including high resolution Tin NMR instruments not available when the patent was applied for or issued, of "simple" model systems designed to theoretically provide compounds containing the connectivity claimed in the '881 patent, there is debate as to whether the claimed connectivity actually exists.

27. In short, one skilled in the art making an organotin reverse ester sulfide product could have no way of ascertaining whether such products contain the claimed connectivity or not. Indeed, prior to January, 1978, Plaintiff had analyzed its own reverse ester sulfide containing organotin stabilizer products and, even with the full knowledge of the processes by which such products were made, Plaintiff was unable to reach a conclusion as to the structural make-up of those products and, more particularly,

whether compounds as claimed in the '881 patent were or were not present in such products.

D. The Claimed Ranges For Tin And Sulfur Are Too Vague To Satisfy the Definiteness Requirement of § 112

28. Before one skilled in the art can calculate the percent tin and percent sulfur for a molecule one needs to know the molecular mass of that molecule, and no one has ever been able to identify a molecule claimed in the '881 patent.

29. Tin analysis and sulfur analysis of complex mixtures of compounds cannot tell the percent tin or sulfur of a single component of the complex mixture.

30. Even assuming you have the proper connectivity, the NMR experiment, neither alone nor in conjunction with all of the testing that has been carried out, can tell you what else is on the molecule.

31. Any attempt to calculate percent tin and percent sulfur for a postulated molecule containing the tin-sulfur-tin mercaptide connectivity at issue is just an intellectual exercise and such intellectual exercises can postulate compounds containing the tin-sulfur-tin mercaptide connectivity which have tin percentages within the claimed percentages as well as tin percentages outside the claimed percentages.

E. The Claims Of The '881 and '845 Patents As Drafted Require Undue Experimentation To Determine Whether A Product Infringes Such Claims

32. No reference data is available for identification of specific compounds as claimed in the '881 patent.

33. When Carstab began its Tin-119 nuclear magnetic studies there was very little reference information reported in the literature.

34. Analytical investigations to ascertain if infringement is present not only require sophisticated modern day state of the art analytical instrumentation but also require expensive specialty chemicals. Prof. Levy indicated that he was not sure there would have been sufficient NMR evidence to indicate there was even a mercaptide attached to tin without the use of isotopically labeled Carbon-13.

35. Further, Prof. Levy did not receive his first 500 MHz nuclear magnetic resonance instrument, which provided the basic tool for his NMR investigation, until 1985, and the first isotopically enriched investigation wasn't initiated until the winter of 1985 and that work wasn't reproducible.

36. There has been a vast amount of testing and analysis conducted over the last ten years to try to ascertain whether compounds as claimed in the '881 patent exist and the result of such extraordinary testing is still inconclusive.

37. Even with a ten-year head start, Carstab ran out of time to do necessary additional experiments relative to its infringement investigation.

38. Before a conclusion can be rendered with respect to the structures present in any of the compositions in question the chemistry in this area needs more study and more background information is needed about NMR analysis of systems involving tin with sulfur and oxygen as well as chlorine etc.

39. According to Prof. Zuckermann, in response to an inquiry from the court, if you had the inclination, know-how and technology and money it may be possible to identify a particular molecule if it is present "if you threw a whole gang of money at this problem, more than even has been thrown already, you *might* be able to do that job."

40. If the examples of the patent taught what they alleged to teach the detection of the presence of compounds

claimed in the '881 patent would have been possible in 1974, 1977 and today.

F. The Accused Argus Products Do Not Infringe The Kugele '881 And '845 Patents

41. Argus, in the United States, has made and sold commercially certain organotin heat stabilizer products, including products known as Mark 1925, Mark 1939, Mark 1943, Mark 2201 and Mark 2212. Argus, in the United States, has made other organotin heat stabilizer products, including LRB-530 and LRB-950. Mark 1925, Mark 1939, Mark 1943, Mark 2201, Mark 2212, LRB-530, and LRB-950 comprise the "accused products."

42. Argus, in the United States, has sold its Mark 1925, Mark 1939, Mark 1943, Mark 2201 and Mark 2212 stabilizer products to others knowing that those stabilizer products would be incorporated into PVC compositions.

43. Carstab has asserted that the manufacture or sale of Argus' accused products constitutes an infringement of claims 1 and 4 of the '881 patent and an inducement to infringe claims 1 and 11 of the '845 patent.

44. Carstab has failed to establish, by preponderance of evidence, that any of the accused Argus organotin heat stabilizer products (Mark 1925, Mark 1939, Mark 1943, Mark 2201 and Mark 2212 as well as Argus' experimental accused organotin heat stabilizer products LRB-530 and LRB-950) includes a compound within the scope of claims 1 and 4 of the Kugele '881 patent, nor has Carstab established, by preponderance of the evidence, that the manufacture or sale of these products constitutes an inducement to infringe claims 1 or 11 of the Kugele '845 patent.

G. Carstab Is Restricted To The Literal Language Of The Claims Of The '881 And '845 Patents To Prove Infringement

45. The organotin stabilizer art, including literature and commercial products, is crowded.

46. Carstab believed that its commercial organotin stabilizer products which differed only in minor respects from the literal language of existing U.S. Patent claims would not constitute an infringement of such patents.

47. Any attempt to expand the claims of the '881 patent to cover a product containing a general organotin reverse ester mercaptide would further invalidate the '881 patent based upon prior art expressly directed to such compounds.

48. Carstab's belated effort to rely upon the "doctrine of equivalents" is meaningless in the present instance since this doctrine requires establishing that something other than what is literally claimed does substantially the same thing, in substantially the same way, to achieve substantially the same result as the "claimed invention" of the Kugele '881 and '845 patents. However, since neither Carstab nor Argus, nor anyone else has been able to isolate or purify compounds as claimed in these patents, there has been no convincing showing that this doctrine, in any way, overcomes Carstab's inadequacy to show literal infringement.

49. Carstab had determined that competitive organotin stabilizer products contained alkyltin reverse ester mercaptides and alkyltin sulfides in admixture at least as early as the late 1970's.

50. According to Carstab it is necessary to amass an exhaustive amount of data in order to determine whether any competitor sells a product which infringes the Kugele '881 and '845 patents. This exhaustive body of data includes sophisticated nuclear magnetic resonance (NMR) data which has taken Carstab years to amass yet it has not published any of this data.

51. Neither the discovery of ligand exchange in tin-sulfur system nor the fact that Argus' accused stabilizers exhibit synergy provide proof of the existence of compounds claimed in the '881 patent.

52. Neither classical analytical analysis nor mass spectrometer analysis nor liquid chromatography nor tin nuclear magnetic resonance studies nor nuclear magnetic resonance studies on model system provide adequate proof to establish the existence of compounds claimed in the '881 patent.

53. The evidence preponderates that Argus' accused products contain mixtures of alkyltin sulfides and alkyltin mercaptides and do not contain compounds postulated in the asserted claims of the '881 patent.

54. Because Carstab has failed to carry its burden of establishing that Argus' stabilizers are more likely than not infringements of the Kugele '881 patent, it has also failed in carrying its burden to establish that Argus has infringed the Kugele '845 patent by contributing to or inducing the direct infringement of that patent by its stabilizer customers.

IV. CONCLUSIONS OF LAW

A. Introduction

1. This is a patent infringement action arising under the patent laws of the United States, 35 U.S.C. §§ 271 *et seq.* and the Declaratory Judgment Statute, 28 U.S.C. § 2201.

2. Jurisdiction of this court and venue are pursuant to 28 U.S.C. § 1338(a) and § 1400(b), respectively.

3. The Plaintiff, Morton Thiokol, Incorporated (Carstab) has charged Defendant, Argus Chemical Corporation (Argus) with infringement of United States Letters Patent 4,062,881 (the '881 patent) and 4,120,845 (the '845 patent) by the manufacture, use or sale of organotin stabilizer products known as LRB-530, LRB-950, Mark 1925, Mark 1939, Mark 1943, Mark 2201, and Mark 2212.

4. Carstab has the burden of proving infringement by a preponderance of the evidence. *Stratoflex, Inc. v. Aeroquip Corp.*, 713 F.2d 1530 (Fed. Cir. 1983).

5. Argus has the burden of proving that the '881 and '845 patents are invalid under 35 U.S.C. 112. Argus' burden of proving the invalidity of the '881 and '845 patents is by clear and convincing evidence. 35 U.S.C. § 282; *Akzo, N.V. v. E.I. du Pont De Nemours*, 1 USPQ.2d 1704 (Fed. Cir. 1987).

B. The '881 and '845 Patents Are Indefinite and Thus Invalid Under 35 U.S.C. § 112, Second Paragraph

6. The second paragraph of 35 U.S.C. § 112 sets forth the requirement that the claims of a patent must particularly point out and distinctly claim the subject matter of the invention. *Standard Oil v. American Cyanamid Company*, 774 F.2d 448 (Fed. Cir. 1985). The second paragraph of § 112 states:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention. A claim may be written in independent or, if the nature of the case admits, in dependent or multiple dependent form.

7. Section § 112, second paragraph requires the claims to "provide a clear warning to others as to what constitutes infringement of the patent." *D. Chisum, PATENTS*, § 8.03 at 8-11, 12 (1987); *United Carbon Company v. Binney Company*, 317 U.S. 228, 232-33 (1942).

8. Where undue experimentation and tests are required to determine whether a product infringes a claim, the claim is invalid for indefiniteness. *Interlake, Incorporated v. Weld-Loc Systems, Incorporated*, 213 USPQ 154, 161-2 (C.D. Ohio 1981); *Standard Oil Company v. Tide Water Associated Oil Company*, 154 F.2d 579, 583 (3rd Cir. 1946); *Deep Welding, Incorporated v. Sciaky Bros., Incorporated*,

417 F.2d 1227 (7th Cir. 1969). The validity of a patent claim under § 112, second paragraph, depends on whether the subject matter contained in the claim has "a clear and definite meaning when construed in the light of the complete patent document." *Standard Oil Company v. American Cyanamid Company*, 774 F.2d 448, 452 (Fed. Cir. 1985).

9. The '881 and '845 patents claim a set of compounds which have specified molecular structures as well as specific weight percentage of tin and sulfur within the claimed molecule. Claim 1 of the '881 patent is representative and requires:

at least one tin atom having 1 to 2 hydrocarbol groups . . . linked to the tin through carbon, . . . at least one mercaptoethanol alkyl ester of a carboxylic acid group linked to tin through the sulfur of the mercaptoalkyl group and at least 1 mono or polysulfide sulfur group bonded exclusively to tin.

This language describes what has been consistently referred to as the "connectivity" requirement. The claim further requires:

the organotin compound having an amount of tin within the range of from 10 to 42% by weight and an amount of sulfur within the range from 8 to 42% by weight.

10. For the following reasons, the court finds that the claims of the patents at issue fail to satisfy the requirement of "definiteness" under 35 U.S.C. § 112, second paragraph. This court is satisfied that Argus has met its burden of proof under § 112 by clear and convincing evidence. Therefore, the '881 and '845 patents are invalid.

11. During the trial, it was established that a person skilled in the art cannot determine whether the compounds, as claimed, actually exist. The claims require spe-

cific chemical structures for the claimed molecules, referred to as "connectivities". The term "connectivity" means how the atoms of a compound are arranged with relation to one another, i.e., how the atoms are connected by chemical bonds. The evidence has shown that it is not possible for one skilled in the art of organotin stabilizers to ascertain the actual existence of these claimed "connectivities".

12. The evidence at trial clearly and convincingly showed that, despite efforts by both parties, the "connectivities" contained in the '881 and '845 patent claims cannot be detected using sophisticated modern instrumental techniques. The claims of '881 and '845 patents define compounds containing specific connectivities which, in pertinent part, consist of tin-sulfur-tin reverse ester mercaptides. None of the claims of either the '881 or the '845 patent contain any process information directed to obtaining the claimed tin-sulfur-tin reverse ester mercaptide connectivity. After exhaustive investigations with state of the art analytical instruments, including high resolution Tin-119 nuclear magnetic resonance which was not available when the patent was applied for, the evidence shows no objective support for the actual existence of the claimed connectivities.

13. The evidence clearly and convincingly establishes that a person skilled in the art is unable to ascertain the claimed structures in order to avoid infringement of the '881 and '845 patent claims. Therefore, this court concludes that the language of the '881 and '845 patent claims relating to the tin-sulfur-tin reverse ester mercaptide connectivity is too vague to satisfy the definiteness requirement of § 112. *Standard Oil Co. v. American Cyanamid Co.*, 774 F.2d 448 (Fed. Cir. 1985) (when construed in light of the complete patent document, claim containing the term "partially soluble" was too vague under § 112).

14. Claim 1 of the '881 patent and Claim 1 of the '845 patent require the claimed compound to have "an amount

of tin within the range of from 10 to 42% by weight and an amount of sulfur within the range from 8 to 42% by weight". The evidence has established that the procedures disclosed for manufacturing the claimed compounds actually yield a mixture of previously known organotin sulfides and organotin mercaptide materials. The evidence presented at trial relating to tin and sulfur analyses was not specific to the claimed structures. All such analyses were of entire samples consisting of a variety of compounds, none of which could be identified as a compound containing the claimed connectivity. It follows that none of the claimed compounds could be isolated or separated from the mixture obtained when the disclosed procedures were followed. The evidence therefore establishes clearly and convincingly that it is impossible for a person skilled in the art to obtain tin and sulfur analyses which are specific to the claimed compounds. Therefore, this court finds that the claimed ranges for tin and sulfur have no clear and definite meaning and, therefore, are too vague to satisfy the definiteness requirement of § 112. *Standard Oil Co. v. American Cyanamid Co.*, 774 F.2d 448 (Fed. Cir. 1985).

15. In determining that the claims at issue are indefinite under § 112, second paragraph, this court recognizes that the Plaintiff/patentee was solely responsible for drafting the claims of the '881 and '845 patents. Carstab cannot now complain that it chose the wrong format. *See, Ex Parte Siddiqui*, 156 USPQ 426 (1967). The Plaintiff was entitled to claim the alleged invention as narrowly or as broadly as it thought it was entitled to. Carstab could have chosen a different claim format such as product by process, process claim formats, or as a composition of matter of a mixture. Having chosen the wrong format, this court is without power to rewrite the claims of the '881 or '845 patents. Indeed, it would be improper at this late date to allow Carstab to rewrite its claims in a more definite format. *See, Super Products Corporation v. D.P. Way Cor-*

poration, 546 F.2d 748, 756 (7th Cir. 1976) (the court is without power to rewrite a claim even if the invention might have justified patent protection.); *Unique Concepts, Incorporated v. Manuel*, 231 USPQ 268, 273 (N.D. Ill. 1986) (if the patentee's claims do not provide all the protection he thinks he deserves, he has no one but himself to blame. A court cannot rewrite patent claims through judicial construction.); *Digicourse, Incorporated v. AMA Distributors, Incorporated*, 629 F.2d 1310, 1315 (E.D. La. 1984) (the court is not at liberty to correct inartfully drafted patent claims).

C. The '881 And '845 Patents Are Invalid Because Their Specifications Are Not Enabling As Required By 35 U.S.C. § 112, First Paragraph

16. The first paragraph of 35 U.S.C. § 112 requires that the specification of the Kugele patents "enable" or teach one skilled in the art to make and use the compounds claimed therein without undue experimentation. *W.L. Gore & Associates v. Garlock, Incorporated*, 721 F.2d 1540, 1556 (Fed. Cir. 1983). A patent specification must enable those skilled in the art, at the time the application was filed, to practice the claimed invention. *Id.* Enablement is to be determined for the invention as claimed because "it is the claimed invention for which enablement is required." *Id.* The first paragraph of § 112 states:

"The specification shall contain a written description of the invention, and of the manner and process of making and using it, in such full, clear, concise, and exact terms as to enable any person skilled in the art to which it pertains, or with which it is most nearly connected, to make and use the same, and shall set forth the best mode contemplated by the inventor of carrying out his invention."

17. The patent specifications for the '881 and '845 are virtually identical. All of the examples of the '881 and '845

patents are written as working examples, i.e., written to represent work that has been actually performed in the manner specifically stated within each example. However, the evidence has shown that none of the examples as written and represented in the specification of the '881 and '845 patents were ever performed. According to the evidence, Carstab has apparently never looked at a single one of its own examples to investigate the nature or identity of the actual products obtained when these examples are followed.

18. The '881 patent alleges to teach the formation of postulated compounds as claimed in that patent. But, even with the aid of sophisticated analytical instrumentation and the use of model systems which attempt to provide the compounds claimed in the '881 patent, there is no evidence that such compounds exist. The clear and convincing evidence has shown that the examples of the '881 patent do not produce the postulated compounds. Rather, these examples or procedures produce a complex mixture of alkyltin mercaptides and alkyltin sulfides. The evidence established that a number of these are prior art compounds known to be useful as heat stabilizers.

19. This court finds that the limitations contained in the claims of the Kugele patents are impossible to ascertain. In light of the evidence clearly and convincingly establishing that the Plaintiff has never been able to either identify or isolate a compound having a structure or tin and sulfur content as claimed in the Kugele patents, this court is compelled to find the disclosure of both of the disputed patents to be nonenabling and therefore invalid under 35 U.S.C. § 112, first paragraph.

20. Argus has proven with clear and convincing evidence that the Kugele specifications are nonenabling. Expert testimony and analytical data show that when the procedures set forth in the Kugele patent specifications are followed, a multicomponent product is obtained. This

result is contrary to the Plaintiff's representations that the performance of these procedures will yield the claimed compounds. Moreover, the evidence establishes that one skilled in the art using state of the art analytical techniques, cannot detect or isolate the claimed compounds.

21. The '881 and '845 specifications disclose no analytical techniques which would have enabled a person skilled in the art, at the time the application was filed, to determine whether the claimed compounds could be made by following a procedure specified in the patents. Testimony by those skilled in the art has proven that analytical techniques available in 1974 (when the '881 patent application was filed) provided no positive evidence that the claimed compounds resulted from following the procedures specified in the Kugele patents. In fact, the testimony and other evidence shows that the 1974 technology clearly would have demonstrated that products manufactured according to the specified procedures were mixtures and not the single compound claimed in the '881 and '845 patents. As drafted, the '881 and '845 disclosures would not enable a person skilled in the art at the time the application was filed to either make or use the claimed compounds.

22. This court is conscious of guidelines set out by the Court of Appeals for the Federal Circuit as stated in *Raytheon Company v. Roper Corporation*, 724 F.2d 951 (Fed. Cir. 1983). In *Raytheon*, Chief Judge Markey wrote:

Because it is for the invention as claimed that enablement must exist, and the impossible cannot be enabled, a claim containing a limitation impossible to meet may be held invalid under § 112.

Id. at 956.

This language is applicable to the case at bar since the claim limitations of the Kugele patents, as discussed, are impossible to ascertain. Therefore, this court finds that

the '881 and '845 patents are invalid as noneabling under 35 U.S.C. § 112, first paragraph.

D. The Accused Stabilizers Do Not Literally Infringe The Claims Of The '881 And '845 Patents

23. Carstab has asserted that the manufacture or sale of Argus' accused products constitutes an infringement of claims 1 and 4 of the '881 patent and in inducement to infringe claims 1 and 11 of the '845 patent.

24. Carstab did not carry its burden of proof. The evidence clearly and convincingly shows that Argus' accused products contain a mixture of organotin components. Even after Carstab and Argus have each expended extraordinary sums of money on state of the art testing, these organotin components of the accused Argus products cannot be identified as any of the compounds claimed in the '881 and '845 patents. Furthermore, the lack of specificity of all the tin and sulfur analyses submitted at trial precludes Carstab from asserting that Argus' accused products fall within the claimed ranges for tin and sulfur in either the '881 or the '845 patent.

25. In support of its infringement claim, Carstab has set forth state of the art instrumental analyses, such as Tin-119 NMR analyses, which were not recognized in the organotin stabilizer industry as the time the Kugele patent applications were filed. Accordingly, such analyses are legally irrelevant for the issue of infringement because reliance on such techniques would cause the patent to mean one thing at the time of issuance and another at some later date. *Raybestos-Manhattan, Inc. v. Tezon, Inc.*, 268 F.2d 839 (1st Cir. 1959); *Swift Chemical Company v. Usamez Fertilizers*, 490 F.Supp. 1343 (E.D. La. 1980) *aff'd*, 646 F.2d 1121 (5th Cir. 1981).

26. Carstab has failed to establish, by preponderance of evidence, that any of the accused Argus organotin heat stabilizer products includes a compound within the scope

of claims 1 and 4 of the Kugele '881 patent, nor has Carstab established, by preponderance of the evidence, that the manufacture or sale of these products constitutes an inducement to infringe claims 1 or 11 of the Kugele '845 patent.

27. According to Carstab it is necessary to amass an exhaustive amount of data in order to determine whether any competitor sells a product which infringes the Kugele '881 and '845 patents. This exhaustive body of data includes sophisticated nuclear magnetic resonance (NMR) data, elemental analyses, mass spectrometry and liquid chromatography.

28. The evidence is clear and convincing that elemental analysis (i.e., determining the elements present) is not sufficient to identify the components present in a mixture. Therefore, one skilled in the art would not be able to identify the individual components of an accused stabilizer product with an elemental analysis. The '881 and '845 claims require that the compounds claimed therein contain specified weight percentages of tin and sulfur. Since one skilled in the art cannot separate or even identify these claimed compounds, all elemental analyses of the accused products, which were produced at trial, did not sufficiently measure the tin and sulfur content for purposes of determining infringement. Therefore, Carstab has failed to prove infringement of the '881 and '845 patents by a preponderance of the evidence.

29. Argus also conducted sophisticated chemical ionization mass spectrometric studies on its accused stabilizers and nothing in the mass spectrum of Argus' accused products provides evidence for the presence of compounds claimed in the '881 patent.

30. Nothing in the mass spectrometric data of samples of model systems prepared by Carstab and designed by Carstab to contain the postulated compounds claimed in

the '881 patent provided evidence for compounds claimed in the '881 patent.

31. The mass spectrometry data does show the presence of organotin sulfides and organotin mercaptides in admixture consistent with Argus' position.

32. Liquid chromatography establishes that Argus' accused stabilizers such as Mark 2212 contain a mixture of components. The liquid chromatography results of Argus' accused stabilizer products such as Mark 2212 are consistent with a mixture of alkyltin sulfides and alkyltin mercaptides.

33. The liquid chromatographic analysis work conducted on Argus' accused stabilizer products and model systems provides no evidence for the presence of compounds claimed in the '881 patent.

34. Almost all of Carstab's NMR data presented at trial utilized more sophisticated NMR instruments, such as 500 MHz NMR instruments, which were not available when the patent was applied for. For example, Prof. Levy did not receive his 500 MHz instrument until 1985. Therefore, this data is legally irrelevant for purposes of determining infringement of the '881 and '845 patents.

35. All Nuclear Magnetic Resonance studies presented in evidence at trial have failed to establish the existence of compounds claimed in the '881 or the '845 patents. Studies conducted either on model systems or on actual Argus products have failed to provide evidence of the existence of the claimed compounds.

36. Based on all the evidence presented at trial, including elemental analyses as well as instrumental analyses, this court concludes that the accused products do not literally infringe the claims of the Kugele '881 or '845 patents.

E. Argus' Accused Products Do Not Infringe The '881 And '845 Patents Under the Doctrine of Equivalents

37. While a pioneer invention is entitled to a broad range of equivalents, an invention representing only a modest advance over the prior art is given a more restricted range of equivalents. *Thomas and Betts v. Litton Systems*, 720 F.2d 1572 (Fed. Cir. 1983). In the present case, the organotin stabilizer art is crowded, and the Kugele patent claims are so narrow that they call for complex compounds which cannot, even now, be isolated or purified. Where a patent is narrow or the art is crowded, the range of equivalents available to the patentee may "be so narrow as to be virtually non-existent." *Parmalee Pharmaceutical v. Zink*, 285 F.2d 465 (8th Cir. 1961).

38. The doctrine of equivalents requires establishing that something that is not literally claimed is equivalent to that which is literally claimed. Compounds as claimed by the '881 and '845 patents have not been isolated or purified. There is significant doubt as to whether "equivalency" to the claimed compounds of the Kugele '881 and '845 patents could, as a matter of law, be established under any circumstances.

39. To the extent that Plaintiff asserts that Argus' products are "equivalent," Carstab must show that the Argus' products are equivalent to the *claims* of the '881 and '845 patents—not to any Carstab products. It is not enough merely to demonstrate "equivalency" of two commercial products. *Nestier Corporation v. Menasha Corporation*, 739 F.2d 1576, 1579 (Fed. Cir. 1984).

40. To the extent that Plaintiff asserts infringement by "equivalence" because of some similarities in the process and starting materials used by Argus with those specified in the specifications of the '881 and '845 patents, this approach is completely inappropriate. Claims are infringed, not specifications. See, *SRI International v. Matsushita Electric Corporation*, 775 F.2d 1107, 1121 (Fed. Cir. 1985).

41. Therefore, the doctrine of equivalents is inapplicable in this case. This court holds that Argus' accused products do not inringe, either literally or under the doctrine of equivalents, the claims of either the '881 patent or the '845 patent.

42. The court having found by clear and convincing evidence that the patents in question herein are invalid and further that the Plaintiff has failed to prove by a preponderance of the evidence any infringement of the patents, judgment should be entered on the main demand in favor of Defendant dismissing Plaintiff's action for infringement and on the counterclaim in favor of the Defendant as counterclaimant declaring the patents invalid.

43. Because of the above Findings and Conclusions, it is unnecessary to consider other grounds urged by the Defendant for a finding of patent invalidity or unenforceability.

New Orleans, Louisiana, this 22nd day of June, 1988.

/s/ A. J. McNamara

UNITED STATES DISTRICT JUDGE

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF LOUISIANA

CIVIL ACTION
NO. 84-5685
SECTION "D" (5)

MORTON THIOKOL, INC.
VERSUS
WITCO CHEMICAL CORPORATION, ET AL

DATE OF ENTRY
JUL-29 1988

CORRECTED JUDGMENT

The Judgment entered on June 22, 1988, is hereby corrected, as provided for under Fed.R.Civ.P. 60(a), to read as follows:

For reasons set forth in the court's Order dated June 22, 1988;

JUDGMENT IS HEREBY RENDERED in favor of the Defendant, Argus Chemical Corporation, and against the Plaintiff, Morton Thiokol, Inc., dismissing Plaintiff's claim for patent infringement with prejudice and at its costs.

JUDGMENT IS FURTHER RENDERED in favor of Argus Chemical Corporation as Counter-Claimant and against Morton Thiokol, Inc. as Counter-Defendant declaring the patents described in United States Letters Patent No. 4,062,881 and No. 4,120,845 invalid, void and unenforceable, and not infringed.

New Orleans, Louisiana, this 28 day of July, 1988.

/s/ A. J. McNamara
UNITED STATES DISTRICT JUDGE

Note: This opinion has not been prepared for publication in a printed volume because it does not add significantly to the body of law and is not of widespread legal interest. It is a public record. It is not citable as precedent. The decision will appear in tables published periodically.

United States Court of Appeals for the Federal Circuit

88-1553

MORTON THIOKOL, INC.,
Plaintiff-Appellant,

v.

ARGUS CHEMICAL CORPORATION,
Defendant-Appellee.

DECIDED: April 3, 1989

Before FRIEDMAN, *Circuit Judge*, NICHOLS, *Senior Circuit Judge*, and SMITH, *Circuit Judge*.

FRIEDMAN, *Circuit Judge*.

DECISION

The judgment of the United States District Court for the Eastern District of Louisiana is *affirmed* insofar as it determined that claims 1 and 4 of United States Patent No. 4,062,881 (the '881 patent) and claims 1 and 11 of United States Patent No. 4,120,845 (the '845 patent) were not infringed and dismissed the appellant's suit, and the judgment is *vacated* insofar as it determined that the patents are invalid, void, and unenforceable.

OPINION

I

This suit alleged that the appellee had infringed the claims of the appellant's patents listed above. Only claim 1 of each patent is involved in this appeal.

Those claims cover organotin compounds that have particular chemical structural elements. The two elements here involved are (1) a partial arrangement of atoms, referred to by the parties as a "molecular connectivity," wherein a tin atom is bonded to a sulfur atom, the sulfur atom then bonded to a second tin atom, and the second tin atom bonded to a reverse ester mercaptide: Sn-S-Sn-SR; and (2) "the organotin compound [has] an amount of tin within the range from 10 to 42% by weight and an amount of sulfur within the range from 8 to 42% by weight."

After trial, the district court made lengthy findings and conclusions and held that the claims of the '881 and '845 patents were invalid under 35 U.S.C. § 112 (1982) because the specification was not enabling and the claims were indefinite. The court further held that the appellee's product did not infringe those claims, either literally or under the doctrine of equivalents.

II

In this appeal, the appellant challenges the district court's determinations of invalidity and noninfringement. Its latter challenge is directed only to the finding of no literal infringement. We hold that the finding of no literal infringement is not clearly erroneous and on that basis we affirm the portion of the judgment of the district court that determined that the patents are not infringed and dismissed the suit. We therefore find it unnecessary to reach the district court's determination that the patents are invalid, and vacate the portion of the judgment that so determined.

A. The existence of infringement depends on whether the asserted claims, as properly construed, cover the accused product. *Envirotech Corp. v. Al George, Inc.*, 730 F.2d 753, 758, 221 USPQ 473, 477 (Fed. Cir. 1984). The patentee has the burden to prove infringement by a preponderance of the evidence. *SmithKline Diagnostics, Inc. v. Helena Laboratories Corp.*, 859 F.2d 878, 889, 8 USPQ2d 1468, 1477 (Fed. Cir. 1988); *Mannesmann Demag Corp. v. Engineered Metal Prods. Co.*, 793 F.2d 1279, 1282, 230 USPQ 45, 46 (Fed. Cir. 1986). "Literal infringement requires that every limitation of the patent claim must be found in the accused device." *Uniroyal, Inc. v. Rudkin-Wiley Corp.*, 837 F.2d 1044, 1054, 5 USPQ2d 1434, 1441 (Fed. Cir.), *cert. denied*, 109 S. Ct. 75 (1988). Literal infringement *vel non* is a factual determination which is reviewed on a clearly erroneous standard. *Uniroyal, Inc.*, 837 F.2d at 1054, 5 USPQ2d at 1441.

The appellant states in its brief that the district court adopted "word-for-word" the post-trial findings prepared by the appellee. At oral argument, however, the appellant conceded that the court did not adopt all the proposed findings verbatim. Since both the appellant and the appellee submitted proposed findings and the case remained *sub judice* for about a year, there is no reason to think that the court's findings represented anything other than the court's considered judgment.

The fact that the court adopted the findings submitted by one party "neither renders them improper nor relaxes our standard of review." *Mathis v. Spears*, 857 F.2d 749, 754, 8 USPQ2d 1551, 1555 (Fed. Cir. 1988). Indeed, "even when the trial judge adopts proposed findings verbatim, the findings are those of the court and may be reversed only if clearly erroneous." *Anderson v. City of Bessemer City, N.C.*, 470 U.S. 564, 572 (1985); *Under Sea Indus., Inc. v. Dacor Corp.*, 833 F.2d 1551, 1556, 4 USPQ2d 1772, 1775 (Fed. Cir. 1987).

B. To show infringement, the appellant was required to prove that every limitation in the claims, including the limitation specifying the percentage range of tin and sulfur by weight, was met in the appellee's products. The district court found that the appellant had failed to prove that the appellee's products contained claimed compounds that meet the percentage tin and sulfur limitation. That finding was not clearly erroneous.

The appellant introduced current, state-of-the-art nuclear magnetic resonance (nmr) data, which the district court held was legally irrelevant for determining infringement of the '881 and '845 patents. This evidence, however, was directed primarily to other limitations in the claims. The appellant's own expert, Professor Levy, admitted in a colloquy with the court that nmr experiments were "neutral" on the question whether the claimed range of tin was present. The appellee's expert, Dr. Eckert, whose testimony the court apparently credited, stated that "[n]either with NMR alone, nor with NMR in conjunction with all of the other testing that has been done," can one show that the compounds fall within the percent tin and sulfur limitation.

The appellant submitted elemental analyses of the appellee's products. This is a method for determining the percentage of elements present in a compound. The district court concluded:

[T]he lack of specificity of all the tin and sulfur analyses submitted at trial precludes Carstab [the appellant] from asserting that Argus' [the appellee's] accused products fall within the claimed ranges for tin and sulfur in either the '881 or the '845 patent. . . . The '881 and '845 claims require that the compounds claimed therein contain specified weight percentages of tin and sulfur. Since one skilled [in] the art cannot separate or even identify these claimed compounds, all el-

emental analyses of the accused products, which were produced at trial, did not sufficiently measure the tin and sulfur content for purposes of determining infringement. Therefore, Carstab has failed to prove infringement of the '881 and '845 patents by a preponderance of the evidence.

The record supports these conclusions. The expert witnesses uniformly agreed that the appellee's accused products were a complex mixture of many compounds, most components of which were admittedly noninfringing. The appellant's expert, Dr. Weisman, admitted on cross-examination that these elemental analyses could not identify a single component of the complex mixture as infringing the percent tin element of the claim. As Professor Herber testified—testimony the court accepted: "[E]lemental analysis of a mixture will give you a grand average over all of the components of that mixture and that information is not terribly useful with respect to understanding the chemical composition of any one component." The record therefore supports the court's finding that the appellant's elemental analyses of the whole complex mixture did not prove infringement.

The appellant argues that the court disregarded the testimony of its expert, Professor Seyferth. Seyferth, the appellant contends, demonstrated from his "calculations" that compounds in the appellee's products having the claimed molecular connectivities would all fall within the claimed ranges for tin and sulfur. These calculations were based upon Seyferth's assumptions as to the actual structure of the allegedly infringing compounds.

The district court did not find this testimony convincing, since it found that "[a]ny attempt to calculate percent tin and percent sulfur for a postulated molecule containing the tin-sulfur-tin mercaptide connectivity at issue is just an intellectual exercise and such intellectual exercises can postulate compounds containing the tin-sulfur-tin mercap-

tide connectivity which have tin percentages within the claimed percentages as well as tin percentages outside the claimed percentages." Although this finding was made in dealing with validity, it is equally applicable to infringement.

Professor Seyferth's testimony is insufficient to show that the district court's finding that the appellant had not proven that the appellee's products contained the amounts of tin and sulfur the patent specified, is clearly erroneous. On cross-examination, Professor Seyferth admitted that there were certain structures, including a structure proposed by Dr. Eckert, that would fall outside the claimed range for tin. When asked by the court to explain the apparent inconsistency of this admission with his earlier testimony, Seyferth replied: "Well, most of the ones that would fall out, like this, for instance, would be highly unlikely." The court apparently concluded, and we agree, that Seyferth's earlier testimony had been undermined by this exchange.

The appellant has not made a sufficient showing of the actual structure of the allegedly infringing components in the appellee's products, a showing necessary for us to conclude, in light of the court's finding to the contrary, that Seyferth's calculations were entitled to conclusive effect.

COSTS

Costs to the appellee.

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF SOUTH CAROLINA
GREENVILLE DIVISION

CIVIL ACTION NO. 6:83-889-OK

Magistrate Catoe

MORTON INTERNATIONAL, INC.

Plaintiff,

v.

CARDINAL CHEMICAL COMPANY, a Partnership, W.M.
QUATTLEBAUM, JR., DOROTHY QUATTLEBAUM; AND
W.M. QUATTLEBAUM, III, Individuals; CARDINAL
MANUFACTURING; and CARDINAL STABILIZERS,
Defendants.

ANSWER AND COUNTERCLAIMS OF DOROTHY
QUATTLEBAUM, W.M. QUATTLEBAUM, III, CARDINAL
MANUFACTURING AND CARDINAL STABILIZERS TO
PLAINTIFF'S AMENDED COMPLAINT

Defendants answer Plaintiff's Amended Complaint as follows:

1. Answering Paragraph 1 of the Amended Complaint, Defendants admit that Plaintiff has a place of business at 100 N. Wacker Drive, Chicago, Illinois 60606; and are without sufficient information to form a belief as to the truth of the remaining allegations therein and therefore deny the same and leave Plaintiff to its proofs.

2. Defendants admit the allegations contained in Paragraph 2 of the Amended Complaint.

3. Defendants admit the allegations contained in Paragraph 3 of the Amended Complaint.

[Pursuant to a district court order dated October 23, 1992, the confidential designation of these documents has been removed.]

4. Defendants admit the allegations contained in Paragraph 4 of the Amended Complaint, with the clarification that W.M. Quattlebaum, III is a limited partner.

5. Defendants admit the allegations contained in Paragraph 5 of the Amended Complaint with the exception that Defendant resides at Arundel Oast, Maypole Road, Goudhurst, Cranbrook, Kent, England TN 17 1DS, not the address provided.

6. Defendants admit the allegations contained in Paragraph 6 of the Amended Complaint.

7. Defendants deny that there is a United States Letters Patent with the number 4,0062,881. Defendants however, admit that the United States Letters Patent No. 4,062,881 is entitled "Sulfide Containing Tin Stabilizers", that it issued December 13, 1977 showing Thomas G. Kugele as the inventor and that the patent shows the assignee to be Cincinnati Milacron Chemicals, Inc. Defendants are without sufficient information to form a belief as to the truth of the remaining allegations set forth in Paragraph 7 of the Amended Complaint and therefore deny the same and leave Plaintiff to its proofs.

8. Defendants admit that United States Letters Patent No. 4,120,845 is entitled "Sulfide Containing Tin Stabilizers", that is issued October 17, 1978 showing Thomas G. Kugele as the inventor and that the patent shows the assignee to be Cincinnati Milacron Chemicals, Inc. Defendants are without sufficient information to form a belief as to the truth of the remaining allegations set forth in Paragraph 8 of the Complaint and therefore deny the same and leave Plaintiff to its proofs.

9. Defendants deny the allegations contained in Paragraph 9 of the Amended Complaint.

10. Defendants deny the allegations contained in Paragraph 10 of the Amended Complaint.

11. Defendants deny the allegations contained in Paragraph 11 of the Amended Complaint.

12. Defendants deny the allegations contained in Paragraph 12 of the Amended Complaint.

13. Defendants deny the allegations contained in Paragraph 13 of the Amended Complaint.

14. Defendants deny the allegations contained in Paragraph 14 of the Amended Complaint.

15. Defendants deny the allegations contained in Paragraph 15 of the Amended Complaint.

16. Defendants deny the allegations contained in Paragraph 16 of the Amended Complaint.

17. Defendants admit they became aware of United States Letters Patent Nos. 4,062,881 and 4,120,845 when so informed of them by the assignee of such patents but deny the remaining allegations contained in Paragraph 17 of the Amended Complaint.

18. Defendants deny the allegations contained in Paragraph 18 of the Amended Complaint.

AS FURTHER, SEPARATE AND AFFIRMATIVE DEFENSES TO THE COMPLAINT, DEFENDANTS ALLEGE:

19. The patents in suit are invalid in that they fail to comply with 35 U.S.C. § 102, because:

(a) The alleged invention was known and used by others in the country, and described in printed publications in this or foreign countries before the alleged invention by the applicants for the patents in suit.

(b) The alleged invention was described in printed publications in this or a foreign country and was in public use or on sale in this country more than one year prior to the date of the application for the patents in suit.

(c) The alleged invention was described in patents granted on patent applications filed by others in the United

States before the alleged invention thereof by the applicants for the patents in suit.

20. The patents in suit are invalid under 35 U.S.C. § 103 because, to the extent that the subject matter defined in the claims of the patents in suit may be held to be not identically disclosed or described as set forth in the prior art, any differences between said subject matter and the prior art are such that the subject matter would have been obvious at the time the alleged invention was made to those having ordinary skill in the art to which the subject matter of the patents pertain.

21. The patents in suit are invalid because of failure to disclose and claim the alleged invention in the manner required by 35 U.S.C. § 112.

22. Plaintiff is barred from the relief requested in its Complaint by reason of laches and estoppel for having unreasonably and inexcusably delayed in filing this law suit following the time Plaintiff learned of Defendants' alleged infringing activities, resulting in material prejudice to Defendants.

23. United States Letters Patent Nos. 4,062,881 and 4,120,845 (the Kugele '881 and '845 patents) are void, invalid and/or unenforceable because the applicant thereof and/or his attorneys, and employees of Morton, or its predecessors, failed to fulfill their uncompromising duty to disclose and candidly present to the Patent and Trademark Office ("PTO") known facts material to the examination of the patent applications maturing into Kugele '881 and '845 patents.

(a) By way of example, and on information and belief, the applicant, his attorneys and/or assignees made or allowed to be made misrepresentations and misleading omissions concerning the scope and content of the prior art, and the differences between the invention being claimed and the prior art. In addition, the applicant, its

attorneys and/or its assignees misrepresented and/or failed to disclose to the PTO material facts of which they were, or should have been, aware. For example, the applicant, his attorneys and/or his assignees misrepresented the facts concerning the comparison between compounds disclosed in the Kugele '881 and '845 patents and compounds of prior art patents in Kauder and Brecker.

(b) By way of example, and on information and belief, the examples of the '881 and '845 patents, which allegedly teach preparation of a product containing only the compounds claimed in the '881 and '845 patents, do not yield a single compound but yield complex mixtures containing known organotin heat stabilizers. Examples 20, 31, 32 and 34 are representative of examples of the '881 patent which were written as yielding pure compounds of the claimed structure, where in actuality they yield something quite different.

(c) By way of further example, and on information and belief, the applicant, his attorneys and/or employees of Plaintiff or its predecessors in title have never been able to isolate or purify compounds as claimed in the '881 and '845 patents and, on information and belief, were aware that the comparison of the claimed organotin stabilizer products to prior art stabilizers were misrepresentations because the procedures and examples taught in the Kugele patents produced alkyltin reverse ester mercaptides and alkyltin sulfides in admixture. Because of the inability to isolate or purify the compounds claimed in those patents, the comparison made to prior art stabilizers was not a comparison of the claimed compounds but a comparison of the admixture.

(d) By way of further example, and on information and belief, the products of the examples which are claimed in the '881 and '845 patents are taught to be stabilizers but, in actuality, the examples produce a mixture of products containing previously known organotin heat stabiliz-

ers. Due to the fact that no one has ever made, isolated or identified a compound as claimed in the '881 and '845 patents, there is no evidence that such compounds have any stabilizing action.

24. On information and belief, the failure of the applicant of the '881 and '845 patents, its attorneys and/or assignees to fulfill their uncompromising duty to disclose and candidly present material facts to the Patent and Trademark Office as aforesaid was either knowing and willful, or reckless, or occurred through gross negligence, and prevented the PTO from fairly assessing the patent applications maturing into the Kugele '881 and '845 patents against the prevailing statutory criteria, and therefore, renders the Kugele '881 and '845 patents void, invalid and unenforceable.

25. On information and belief, Plaintiff has unfairly competed with Defendants by misusing its patents. Plaintiff wrongfully attempted to enforce its patents which Plaintiff knew, or should have known, were invalid. On information and belief the applicant, its attorneys, or its assignees knew that the patents did not teach preparation of a single pure compound but instead a complex mixture containing known organotin heat stabilizers. Regardless of this knowledge, the applicants represented to the examiner that the mixture did result in a pure compound. In addition, after procuring the patents from the Patent Office on the basis that the patents taught the procedure for mixing a pure compound, Plaintiff attempted to enforce the patents which it knew, or should have known was invalid.

(a) By way of example, and on information and belief, Plaintiff approached its competitors, including Cardinal, and informed them they were infringing the '881 and '845 patents. However, Plaintiff was, and still is, unable to demonstrate the existence of the claimed compounds or any way to determine infringement of any of the alleged infringers. Regardless of its inability to deter-

mine infringement, Plaintiff instituted lawsuits against its major competitors.

(b) After filing the lawsuit against Cardinal, Morton contacted a number of Cardinal's sales representatives and threatened litigation against them. In addition to threats of litigation, Morton included statements in the letters that indicated that Cardinal was financially unstable and possibly couldn't satisfy the damage judgment in the pending infringement litigation.

(c) The totality of Morton's conduct in its business practices in pursuing licenses and the litigation of patents which it knew, or should have known, were invalid consists of misuse of its patents.

26. On information and belief, U.S. Letters Patent Nos. 4,061,881 and 4,120,845 have been held invalid by the U.S. District Court for the Eastern District of Louisiana and, therefore, Plaintiff is collaterally estopped from asserting the validity of the patents in this case. Morton knew or should have known that it was collaterally estopped once the patents were held invalid and, thus, have pursued this litigation against Defendants in bad faith.

(a) After the District Court for the Eastern District of Louisiana held the patents invalid, Morton appealed to the Court of Appeals for the Federal Circuit. The Court of Appeals for the Federal Circuit affirmed the non-infringement judgment. Morton then petitioned the Court of Appeals for the Federal Circuit for rehearing on the issues of validity and infringement which was denied, resulting in a final judgment against Plaintiff on the '881 and '845 patents.

27. On information and belief, during the reexamination of U.S. Letters Patent Nos. 4,062,881 and 4,120,845, Morton misrepresented prior art to the Patent Office and failed to fulfill their uncompromising duty to disclose and candidly present to the Patent and Trademark Office evidence

which was in Morton's possession after the trial in the U.S. District Court for the Eastern District of Louisiana in *Morton Thiokol v. Argus*, 84-5685 (E.D.La. 1988).

(a) By way of example, and on information and belief, Morton knew of testimony about the Jennings patent, one of the key prior art references cited by the Patent Examiner, Morton also knew that comparative test data relied on in the patent could not be accurate. Even after Defendants specifically requested that Plaintiff comply with its duty to bring such information to the attention of the Examiner, Morton failed to disclose the pertinent information to the Patent Office, and thus failed to fulfill its duty of candor to the Patent Office.

28. Defendants assert that the Amended Complaint fails to state a claim upon which relief can be granted.

COUNTERCLAIMS

29. In its Amended Complaint, Plaintiff alleges that it is a corporation organized and existing under the laws of the State of Delaware having its principal place of business at 100 N. Wacker Drive, Chicago, Illinois 60606.

30. Defendant, W.M. QUATTLEBAUM, III, resides within this district at 47 Upper Pond Road, Columbia, South Carolina 29223, and is a limited partner of the Defendant CARDINAL CHEMICAL COMPANY.

31. Defendant, CARDINAL MANUFACTURING CORPORATION, is a partnership existing and operating under the laws of the State of South Carolina and has a regular and established place of business in this district at 2010 S. Belt Line Boulevard, Columbia, South Carolina 29201.

32. Defendant, CARDINAL STABILIZERS, is a partnership existing and operating under the laws of the State of South Carolina and has a regular and established place of business in this district at 2010 S. Belt Line Boulevard, Columbia, South Carolina 29201.

33. Defendant, DOROTHY QUATTLEBAUM, resides in the country of England at Arundel Oast, Maypole Road, Goudhurst, Cranbrook, Kent, England TN 17 1DS, and is a partner of Defendant CARDINAL CHEMICAL COMPANY.

34. Jurisdiction of this counterclaim arises under the Federal Declaratory Judgment Act, 28 U.S.C. § 2201 and § 2202 and under the patent laws of the United States, 35 U.S.C. § 101, § 102, § 103 and § 112 and 28 U.S.C. § 1338.

35. This counterclaim arises from an actual and justiciable controversy between Plaintiff and Defendants as to alleged infringement of the claims of United States Letters Patent Nos. 4,061,881 and 4,120,845 which Plaintiff claims it owns. Specifically, Plaintiff has charged Defendants with infringement of these patents.

36. Defendants assert that Plaintiff's United States Letters Patent Nos. 4,062,881 and 4,120,845 are not infringed by Defendants and that no act of Defendants is in any way a violation of said patents.

37. Defendants assert that the Amended Complaint fails to state a claim upon which relief can be granted.

38. This counterclaim states a claim arising under the patent laws, Title 35, United States Code, and is an action for declaratory judgment of patent invalidity, unenforceability, and noninfringement under title 28 U.S.C. §§ 2201, 2202 and 1338(a).

39. Defendants assert that Plaintiff's United States Letters Patent Nos. 4,062,881 and 4,120,845 are not infringed, unenforceable, void and invalid for the reasons more fully set forth in Paragraphs 19-28 of the affirmative defenses set forth hereinabove, which paragraphs are hereby incorporated by reference with the same force and effect as if the allegations thereof had been set forth in the full herein.

PRAYER

WHEREFORE, Defendants pray the entry of a judgment providing:

- 1) That United States Letters Patent Nos. 4,062,881 and 4,120,845 are not infringed and have not been infringed by any acts committed by Defendants.
- 2) That United States Letters Patent Nos. 4,062,881 and 4,120,845 are invalid, void and unenforceable.
- 3) For a judgment of attorneys fees and expenses incurred in defense of this patent infringement suit.
- 4) For a judgment of damages to Defendants for Plaintiff's misuse of its patents.
- 5) For dismissal of the Amended Complaint.
- 6) For any other relief this Court deems appropriate.

Respectfully submitted,

/s/ William O. Sweeny, III, by Kenneth E. Young

William O. Sweeny, III

Arthur L. Coleman

Nelson, Mullins, Riley

& Scarborough

1330 Lady Street

3rd Floor Keenan Building

P.O. Box 11070

Columbia, S.C. 29211

(803) 799-2000

Dated: April 16, 1990

Of Counsel:

Charles F. Schill

Elizabeth R.P. Bowen

Adduci, Mastriani,

Meeks & Schill

1140 Connecticut Ave., N.W.

Suite 250
Washington, D.C. 20036
(202) 467-6300

[Certificate of Service Omitted in Printing]

PORTIONS OF HEARING TRANSCRIPT

• • • •

[32] the presumption of validity. We're talking about validity. We're talking about 1974. We're talking about a situation in which it is defendant's burden to prove by clear and convincing evidence, pursuant to section 112 that the patents are invalid. And they haven't even started on that burden. It is an issue we have every right to try. We have our view; we presented our view of the facts. For the sake of this motion, defendants can call them self-serving, but under the law, *Anderson* and the like, it is clear our facts must be taken as true. We'd like the opportunity, we believe we are entitled to the opportunity to prove that Cardinal infringes. Their burden, that burden they're going to have to do at trial to attempt to overcome the presumption of validity, that is intact following the vacation by the Federal Circuit.

THE COURT: All right, anything else for the record, either side? All right.

I'm inclined not to grant the motion for summary judgment, although after reading it, I must admit it had a lot more merit than I thought. I think it is a very close question. And I do think the findings of the Circuit Court are binding on this Court and I think they put Morton in a box. It will be interesting to see how you get out of it.

MR. COONS: Your Honor, if I could add one thing, not with respect to the motion, but what I'd like to do is

• • • •

[34] trial court record and that transcript and determine what is going to be capable of being used or not. What Mr. Schill, I think has done, and probably makes sense

[Pursuant to a district court order dated October 23, 1992, the confidential designation of these documents has been removed.]

because there is no cross-examination and those sorts of things, that he is attempting to look at it from his viewpoint, with respect to attempting to promulgate admissions, requests for admissions, and that sort of thing. But in terms of the background, I think you would want to hear from Dr. Kuivila, I think you would want to hear from the people who were working in the field at the time, how this invention came about. But the story is not going to be any different than is set forth in that regard anyway in the Argus transcript.

THE COURT: We're not going to retry Argus.

MR. COONS: I understand that.

THE COURT: We're not going to do it. If I see that is where we're going, I'll direct a verdict right then and there. We're not going to do that; that would be a waste of this Court's time. So I'm going to have that Argus transcript memorized by the time we come to trial. So, we're not going to do that.

MR. COONS: Well we certainly don't have any intention, my point is with respect that it would be a duplication and the witnesses who testify prior to the experts, I think their testimony was over in about one day and then I think that we would turn to infringement side. [35] So I think by using the Argus transcript in that regard, we may almost jump directly into discussion of infringement which will be dealing with the expert testimony.

THE COURT: All right. I would like for both sides to adopt as much of that transcript as we can for the record in this case if it is at all possible to save some time. But we're not going to retry Argus to get another result. And like I say, I think the finding by the Circuit Court put you in a very difficult position, be interesting to see how you going to approach it. You're going to have to -

MR. COONS: Not sure, that is fine, Your Honor, I think I expressed-

THE COURT: Put you on notice, see how good a lawyer you are. Got Circuit Court decision that, and that Circuit Court decision those findings, of course, they adopted from the District Court, but they are binding on this Court. So-

MR. COONS: Well I guess those are from our viewpoint, as I expressed earlier, Your Honor, we don't see as much of a box.

THE COURT: I'm putting you on notice, I see it as a box. I don't see how you're going to get out of it. All right, what else can we do today?

I'm not going to grant the motion for summary [36] judgment at this time. I want to get the case over with. My Lord, got ten lawyers here, the cost, this thing is why courts get bad names. Thing has been going on for years, I want it over with, and I want to do it as economically as possible. This is an albatross, this case. So let's get it over with, and we're on target for September and I want to hear enough that when it goes up, it goes up one time. I don't want it to go up and come back down, too much been wasted already. So we'll build a record, let the Circuit Court, I'm sure the Circuit Court is going to decide the case anyway, but let's get enough of a record so they can make a final decision and won't come back down and this will be a ten year case. How old is it now, seven?

MR. SCHILL: Yes, Your Honor.

THE COURT: Let's build a record, do it right.

MR. SCHILL: May I have one last word?

THE COURT: Yes.

MR. SCHILL: I really feel, Your Honor, that you feel inclined that the Federal Circuit, that the lower court was right, and I think the findings the Federal Circuit adopted show that it was right also. Your Honor, I know this case had been going on for a long time; still the money that

JA- 58

is going to be expended to put on whatever trial is going
to be put on here is very much of a burden on my client.

* * * *